



# Town of Loxahatchee Groves

## Finance Advisory & Audit Committee Meeting

Thursday, June 7<sup>th</sup>, 2012 at 7:00 p.m.

Palms West Chamber of Commerce, 13901 Southern Boulevard

### MINUTES

#### 1. OPENING

##### a. Call to Order & Roll Call

Chair Lung Chiu called the meeting to order at 7:05 p.m. Present were **Chair Lung Chiu, Vice Chair Elise Ryan** and **Committee Members Cheryl Miller and Virginia Standish**. Also present were Town Manager Mark Kutney, Bill Underwood, Managing Partner of Underwood Management Services Group (UMSG), Town Office Coordinator Dennise D. Rodriguez, and Terry Morton of Nolen, Holt & Miner.

##### b. Approval of Agenda

**Motion:** Committee Member Cheryl Miller moved to **approve** the Agenda. Committee Member Elise Ryan seconded the motion, which passed unanimously. (**Motion carried 4-0**).

Bill Underwood, Underwood Management Services Group (UMSG), informed the Committee that he had submitted to the committee, as per their recommendation, an "Invoice" for the 2011 Audit Analysis Report. Vice Chair Elise Ryan indicated that it must be added to the agenda, unless the Committee made a motion to approve and then discuss the item later.

It was approved to include in Section 4 "New Business", item "f".

Amended agenda approved by all members, which passed unanimously. (**Motion carried 4-0**)

#### 2. CONSENT AGENDA

##### a. Minutes: April 23, 2012

**Motion:** Committee Member Elise Ryan moved to **approve** the minutes of April 23, 2012. Committee Member Cheryl Miller seconded the motion, which passed unanimously. (**Motion carried 4-0**).

Chair Lung Chiu and Vice Chair Elise Ryan recommended two (2) changes to the April 23, 2012 minutes.

#### 3. PRESENTATIONS

##### a. Banking Services RFP 2012-001 Proposers

##### 1. Bank United

## 2. Wells Fargo

Town Manager Mark Kutney introduced the representative of Bank United.

1. Bank United- Christina M. Siconolfi, CTP, Vice President, Treasury Management (25 minutes)

Ms. Siconolfi described the operation of Bank United and all the services that the bank is offering the Town of Loxahatchee Groves. She answered questions from the committee members regarding: Positive Pay Services (Check Fraud Protection Platform); ACH Fraud Control; Remote Deposit Captures; Check Scanner System; Deposit Reconciliation; Earnings Credit Rate; Interest Rate and Bank Fees; Qualified Public Depository; Ratio of Collateral; Ratio of Collateral; Number of Governmental Agencies that do business with Bank United in Florida; and other related items.

2. Wells Fargo- Dane Shelton (Conference call 25 minutes)

Town Manager Mark Kutney indicated that the representative from Wells Fargo was not able to personally attend tonight's meeting. The meeting would be through a telephone conference call with Mr. Dane Shelton.

Bill Underwood introduced the Committee members. Dane Shelton describes the operation of Wells Fargo and all the services that the bank is offering the Town of Loxahatchee Groves. He answered questions from the committee members such as: Earnings Credit Rates and Interest Rates; Bank Fees; Transfers from different accounts and the impact on the interest rates; Compatible Check Scanning Equipment; Positive Pay Services; ACH Fraud Control; Qualified Public Depository; Ratio of Collateral; Number of Governmental Agencies that do business with Wells Fargo in Florida; and other related items.

### Public Comment

John Ryan, 3508 A Road also questioned about the Fraud Control System.

After the conference call with Wells Fargo Bank was concluded, a discussion took place regarding the services and interest rates that each bank is offering the Town.

### Public Comments

John Ryan, 3508 A Road-Made comments regarding the security deposits on the accounts and Bill Underwood responded to Mr. Ryan's comments concerning the security deposits on the accounts.

Vice Chair Elise Ryan gave out a letter that she received via email from a resident regarding a point of view with respect to customer services and Wells Fargo Bank. All members read the letter and made comments.

Chair Chiu asked Bill Underwood to help them out and give them a good comparison between one bank and the other and all the fees that both banks are charging. Bill describes how he is going to do the comparison.

Virginia Standish thought that Bank United was more customer service friendly. Elise Ryan also commented about the presentation.

#### Public Comments

John Ryan, 3508 A Road-Made comments regarding Wells Fargo Bank unfriendly services.

Bill Underwood also comments about how the banks do their operations. Chair Chiu told Bill to put everything together and get back with them.

#### **4. NEW BUSINESS**

##### **a. Approval of FY 2012 Financial Statements**

**Motion:** Vice Chair Elise Ryan moved to **approve** discussion of New Business 4-d “Review of Approval of Final CAFR. Cheryl Miller seconded the motion, which passed unanimously. **(Motion carried 4-0).**

##### **1. Budget vs. Actual - April 2012**

Committee members pointed out errors found in the charts. It was reflected that the Chart tie to the Report, and the errors to be corrected before presented to Town Council. Chair Chiu recommended that staff assure verification of the charts going forward.

Elise requested that whenever a check is made to Underwood Management or any member of their staff, it has to have an explanation for the payment. Bill Underwood advised all checks processed and issued by the Town are accompanied by invoices. Elise Ryan was concern about Community of Hope. She advised that she had spoken to Perla Underwood about their account. Town Manager Kutney said that staff is working on that matter. Elise Ryan also mention about “Day Project”, and their balance.

Virginia Standish inquired about these specific charges. Town Manager Kutney advised that these are “Cost Recovery Fees.” Manager Kutney advised that these are “Cost Recovery Fees”. Manager Kutney advised that he would like to change the Cost Recovery Ordinance. Member Standish inquired about the “Bid” process; charges paid to Frank Schiola and what are the maximum amount of his contract, and checks payable to other entities.

Manager Kutney mentioned that the new Website coming up in July 2012 and staff’s training. Member Standish asked if there was going to be audio copies of all the committee meeting. Mr. Underwood advised that it’s best to have video. She also

expressed concern about Bankcard fees and about the Transportation Fund from the State.

2. Bank Reconciliation – April 2012
3. General Ledger Detail – April 2012
4. Bank Statement – April 2012

**Motion:** Vice Chair Ryan moved to **approve** Financial Statement. Member Miller seconded the motion, which passed unanimously. (**Motion carried 4-0**).

- b. Review of Planning and Zoning Invoices
  - c. Review of Proposed Budget Amendment – May 2012
  - d. Review of Approval of Final CAFR
  - e. Discussion of Trails Grant Application Withdrawal
  - f. Review of UMSG 2010 Audit Report Analysis Invoice
- Review of Approval of Final CAFR - The Town Auditor Terry Morton started with the Auditors Comments on the CAFR. Chair Chiu asked if the errors that the committee found were corrected. Mr. Underwood indicated that they would be corrected. Vice Chair Ryan asked Town Manager Kutney about when will the Financials be in the Agenda and in what meeting. Mr. Kutney said that probably for the June 26<sup>th</sup>, 2012 meeting.
  - Review of Planning & Zoning Invoices – Committee discussed invoices provided.
  - Review of Proposed Budget Amendment May 2012 – Mr. Underwood reviewed all the changes to the proposed Budget Amendment. The Committee discussed how funds moved in different accounts.
  - Discussion of Trails Grant Application Withdrawal – Mr. Underwood explained why the Town withdrew its Grant Application. A discussion took place on why the town did not qualify for the grant. Mr. Underwood explained that every effort was made to qualify for the Grant, but it was not possible.

#### Public Comments

John Ryan, 3508 A Road commented on the Trails, Grants discussion and the impact on the Landowners.

Ms. Phil Liu, 4245 148<sup>th</sup> Terrace N., commented on the road discussion and the impact on the landowners.

**Motion:** Vice Chair Ryan moved to **approve** discussion on the UMSG 2011 Audit Analysis. Member Standish seconded the motion, which passed unanimously. (**Motion carried 4-0**).

- UMSG Audit Analysis Invoice – Discussion took place concerning the invoice. Chair Chui recommended writing a letter to the prior administration regarding this matter. Town Manager Kutney made his recommendation regarding this matter through the Town Attorney.

**Motion:** Vice Chair Ryan moved to **approve** to payment to UMSG 2011 Audit Analysis. Member Standish seconded the motion, which passed unanimously. (**Motion carried 4-0**).

**Motion:** Member Cheryl Miller moved to approve to take this matter to the council regarding the prior Administration's non completion of the closeout of FY2011. Vice Chair Ryan seconded the motion which passed unanimously. (**Motion carried 4-0**)

## 5. CLOSING COMMENTS

### a. Public

Ms. Liu – The management did a good job regarding the grant

Mr. John Ryan – Expressed his appreciation for the opportunity to speak out

Marge Herzog- Express her pleasure in watching the presentations, and comment about the legislation.

### b. Committee Members

Chair Chiu: Commented about some roads and the landscapes of the town

Vice Chair Ryan: Commented on a good productive meeting.

Member Cheryl Miller: Commented productive and interesting meeting, and looks forward to the bank comparison.

Member Virginia Standish: Advised that a lot was covered at the meeting, and she looks forward to see the comparison of the banks as well.

Mr. Underwood stated that he appreciated all their view and comments expressed.

### c. Concluding Administrative Remarks

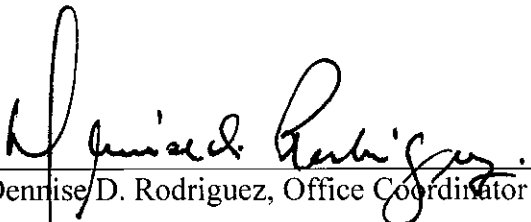
1. Report on Solid Waste Commercial Permitting Implementation – Frank Schiola Postponed- Nothing done on it tonight.
2. Taxable Costs in Code Enforcement Proceedings Opinion – Special Magistrate Service- Town Manager mentioned that that Town is working on those cost.
3. Update on Cost Recovery Receivables- Town Manager discussed the three accounts that were mentioned earlier in the meeting.

## 6. ADJOURNMENT

**Motion:** Committee Member Cheryl Miller moved to **adjourn** the meeting at 9:57 p.m. Committee Vice Chair Elise Ryan seconded the motion, which passed unanimously. (**Motion carried 4-0**).

The next FAAC meeting is Monday, June 25, 2012.

**These minutes were approved by the Finance Advisory & Audit Committee on August 27, 2012.**

  
Dennise D. Rodriguez, Office Coordinator

SEAL

  
Lung Chiu, Chair